

## **KHPA Fact Sheet**

### **Increased Applications and Workload at the Eligibility Clearinghouse**

#### **Background**

The number of applications and annual reviews has increased by an average of 987 per month (9 percent) for the first 8 months of FY 2009. Resources are not available to accommodate the increased workload. KHPA has already exhausted all potential trade offs within the terms of the contract and to date over 10,000 applications and reviews remain unprocessed. This represents an increase of about 67% over the number of unprocessed applications and reviews reported in July 2008. The Clearinghouse operates with a combination of contract and state staff. To compensate for the increase in workload, we would need to add contractor staff for the remainder of FY 09 and the first half of FY10, fill the KHPA position that will become vacant in June, and either approve overtime for existing KHPA staff or add staff.

The State's obsolete eligibility system does not allow for in depth analysis because most of the data are not retained in the system. However, we suspect that the significant increase in the number of applicants corresponds to the downturn in the economy. Denial rates have increased from 23% to 28% and the denial rates due to "Excess Income" have also increased. The higher denial rate is consistent with an increase in the number of unemployed people applying for medical coverage, some of whom may still be financially ineligible for Medicaid and SCHIP due to the amount of cash unemployment benefits. Eligibility is expected to rise with further increases in unemployment and expiration of unemployment benefits.

#### **Proposed reduction in administrative resources:**

The Governor's budget reduces KHPA administrative resources by 12.3% in FY 2010, including reductions to both personnel and contracts. KHPA has identified \$43,900 all funds (\$19,316 SGF) in reductions to its administrative enrollment capacity at the clearinghouse in order to meet the FY 2010 target, which includes leaving one KHPA enrollment worker positions open beginning July 2009. Reducing KHPA eligibility staff located at the Clearinghouse will limit our ability to process applications timely, but avoids the loss of non-redundant operations and oversight personnel at KHPA,

#### **Impact of the applications backlog:**

- Given the emerging backlog, a new reduction in KHPA staffing of contractor resources will cause additional delays in processing applications, placing compliance with Federal requirements at risk.
- Some beneficiaries will not be able to access services when needed. Pregnant women, newborns and children will be the most affected.
- Not addressing the increase in workload by protecting and adding resources allows delays in processing and compromises KHPA's ability to remain in compliance with Federal law of processing an application within 45 days. In fall of 2008, 96% of the applications were processed within 20 days and almost 100% were processed within 30 days. As of March 2009, the percentage of applications processed within 20 days has dropped to 78% and the percentage processed within 30 days has dropped to 90%. The number of applications over 40 days old is rapidly increasing.
- Additional increases in applications due to Kansas' declining economy are expected to compound the lack of capacity at the clearinghouse in FY 2010, increasing delays as more unemployed workers apply for themselves and their children.
- Delays in processing typically lead to increases in customer complaints and requests for help to KHPA staff.

Note: The current contract expires 12/31/2009 for the eligibility clearinghouse. These negotiations will take place sometime in April and May 2009. The impact of the required re-bidding are not yet known.